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***Expedited License Review Process for Defense Capabilities Initiatives***

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The genesis of the Defense Capabilities Initiative (DCI) was with Secretary Cohen's June 1998 Defense Ministerial intervention. The Secretary's premise was that NATO Allies must transform their defense capabilities in order to meet the security challenges of the future. These challenges include "new" missions like Bosnia; biological, chemical, and missile threats; rapid technological change; and transnational threats like terrorism. The April 1999 Washington Summit launched the DCI with the goal of ensuring that future operations have more mobile, flexible and interoperable forces, without implying increased defense budgets or a "buy American" approach.

At the Washington Summit, Heads of State endorsed decision sheets in five functional areas: deployability and mobility; sustainability and logistics; effective engagement; survivability of forces and infrastructure; and C3. These decision sheets include almost 60 short and long-term objectives. NATO Heads of State also established a High Level Steering Group to ensure that the DCI is implemented effectively.

While these process improvements are important, the challenge now is to get Allies to actually increase capabilities and resources. Kosovo demonstrated that strategic lift, aerial refueling, support jamming, secure communications, and precision-guided munitions are key to mission success. The NATO Secretary General, in his 31 March letter to Alliance Heads of State, stated that the DCI is crucial to NATO's ability to face 21st century challenges and urged all nations to increase defense spending and actively pursue increased capabilities. The US has consistently impressed upon Allies the need to improve both how much they spend on defense and how they spend.

One of the ways in which the US intends to meet its commitment to implement DCI is through the reform of export procedures. Although the US urges Allies to increase their capabilities, our export control process has often impeded their acquisition of US systems or key components. Therefore, the Departments of Defense and State have developed a mechanism through which NATO Allies can expect faster processing of those export requests that support capabilities emphasized by the DCI. Our objective is to convince NATO Allies of our seriousness in implementing DCI, and to encourage Allies to acquire increased capabilities.